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CENTRAL INTELLIGENCE AGENCY

7 April 1949

INTELLIGENCE MEMORANDUM NO. 159

SUBJECT: Estimated Budget and Manpower Available for Military Purposes in Certain Countries Through 1953

REFERENCES: A. JIIM-106, 29 March 1949

B. IM-156, 5 April 1949

1. IM-156, which states the current position and indicates the expected trend of development, goes as far as CIA (or any other agency) can go with any validity in prediction, on short notice, with respect to the subject. Even so, the estimates in IM-156 must be regarded with due reserve as essentially speculative. For example, the best available data, in many instances, are ECA estimates which are at least tinged with hopeful optimism regarding the success of the ECA mission. With respect to countries outside the scope of ECA the available data are less reliable.

2. At the urgent insistence of JIG, we present herewith (Enclosures A - C) tabular statements of estimated budget and manpower available each year for military purposes in Austria, Belgium, Canada, Denmark, France, Greece, Iran, Italy, Luxembourg, the Netherlands, Norway, Portugal, Saudi Arabia, Spain, Turkey, and the United Kingdom. These figures are implicit in and derived from the text of IM-156. In producing them CIA has done no more than a clerical service for JIG in translating its general statements into explicit figures on an annual basis by arithmetic and interpolation. Even so, CIA regards the product with great misgiving and presents it with due reserve. These figures, thus explicitly stated and without the qualifying discussion in IM-156, convey a sense of precision and validity which is unwarranted. Those who use them must be made clearly to understand that they are not valid intelligence estimates, but no more than the best available assumptions for planning purposes.

3. Although the military budget figures are expressed in dollars, as required for convenience in comparison, it should be clearly understood that the funds referred to are actually pounds, francs, lire, etc.,

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and that one of the difficulties in the situation is precisely that these countries do not possess the dollars they require.

4. Both budget and manpower figures relate to money and men available for military purposes in time of peace without prejudice to economic recovery. They have no relation to the expenditures that would be accepted and the manpower which could be mobilized in the event of war.

5. The figures are carried only through 1953. No projection beyond that date could have any validity whatever. If figures to 1957 must be presented, let those for 1953 be used. The 1953 figures would be as valid for 1957 as any others that might be given.